

July 26, 2013

VIE ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: *Rates for Interstate Inmate Calling Services*
WC Docket No. 12-375

Dear Ms. Dortch:

On July 23, 2013, Richard Torgersrud, founder and CEO, and Kevin O'Neil, President and co-founder, of Telmate, LLC, along with undersigned counsel, met with Acting Chairwoman Mignon Clyburn, Wireline Legal Advisor Rebekah Goodheart and intern John Bilyeu to discuss the captioned rulemaking proceeding.

Telmate responded to the Chairwoman's inquiry as to how to find a "path forward" regarding ICS rate reform that is "beneficial to all." Mr. Torgersrud replied that the market for inmate communications services is highly competitive, and far more consistent with price competition and technological innovation, than proponents of rate regulation often contend. Specifically, the ICS industry exhibits low barriers to entry and has been characterized by substantial R&D investments resulting in a number of new services benefitting inmates, such as secure social media messaging, voicemail and video visitation, among others. Mr. Torgersrud emphasized that ICS providers do not "set" prices, which are either regulated by state PUCs or determined by correctional officials in the RFP process for selection of a provider, and that there are substantial differences in terms of scale, capacity, broadband costs and inmate "churn" between larger state department of corrections ("DOC") systems and the thousands of smaller county and municipal jails served by ICS providers like Telmate. He stated that Telmate is a "proponent of lower calling prices" for inmates, as discussed in the company's comments in this docket.

In response to more specific queries from the Chairwoman and Ms. Goodheart, Telmate pointed out that:

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- After Telmate's introduction of secure social media video visitation, messaging and photo sharing in Oregon, the state DOC experienced a considerable reduction in inmate issues such as violence, grievances and officer reported incidents.
- Voice calls are a small part of ICS services and are decreasing rapidly in favor of texts, emails, video messaging and other newer communications technologies.
- Nearly 50% of calls from jails, as opposed to DOC prisons, are offered free of charge to help inmates make bail, contact necessary services, or just stay in touch with loved ones. For example, Telmate provides every inmate a free three minute phone call to all their allowed contacts each month at the Oregon DOC so that they can stay connected to their families. This is provided as a courtesy by Telmate, which has no obligation to provide this service but elects to do so for the betterment of the inmate. Telmate offers a similar service to inmates at every one of its facilities. This service allows inmates and their friends & families who don't have the money to pay for phones calls to stay in touch.
- Telmate and its licensee Talton Communications, Inc. provide ICS services to Immigration and Customs Enforcement ("ICE") detainees at prices of \$0.1235/minute (prepaid calling anywhere in the United States) and \$0.15/minute (collect calling anywhere in the US). As part of its public procurement, ICE developed quality assurance standards incorporated into the RFP and resulting contract with Telmate, which meets quarterly with ICE officials to review performance matters.
- Telmate serves inmates at the Oregon DOC for \$0.16/minute and in the Montana DOC at \$0.1482/minute with a first-minute charge of \$0.30 for calls completed anywhere in the US.
- The majority of inmates served by Telmate have access to Telmate's newest technologies such as video services, secure social media, messaging, photos sharing. Such services and equipment are very expensive to install and maintain.

The meeting concluded with Telmate's suggestion that the Commission segregate facilities by size as a surrogate to reflect the cost differences of providing ICS services (including bandwidth, labor and maintenance/service expenses) to smaller institutions, namely: < 200 beds, 200-500 beds, 501-1000 beds, 1000+ beds, and state DOC systems. Mr. Torgersrud emphasized that small jail facilities are unprofitable to serve on a stand-alone basis, such that if the FCC were to impose a rate cap on grounds of "affordability," it should extend universal service funds to support such services in order to subsidize rates that are otherwise uneconomic and, from the ICS provider's perspective, unjust and unreasonable.

A copy of several computer slides shown to Chairwoman Clyburn is attached.

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This notice of *ex parte* contact is filed in compliance with section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206. Should you have any questions regarding the foregoing, please do not hesitate to contact me.

Sincerely,

/s/Glenn Manishin

Glenn B. Manishin

Attachment A (slides)

cc: Hon. Mignon Clyburn (via email)
Rebekah Goodheart (via email)
Richard Torgersrud, Telmate